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FISCAL IMPACT REPORT

SPONSOR Smith, J.A. DATE TYPED 01/31/04 HB _____

SHORT TITLE “Business License” in Pesticide Control Act SB 7/aSJC

ANALYST Baca

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	\$380.0	\$15.0	Recurring	Other State Funds

(Parenthesis () Indicate Revenue Decreases)

Duplicates HB 50
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
New Mexico State University (NMSU)
New Mexico Department of Agriculture (NMDA)

No Response
Commission on Higher Education (CHE)

SUMMARY

Synopsis of SJC Amendment

The Senate Judiciary amendment removes the requirement for a business license by striking the definition of “business license” and the \$100 fee requirement for the business license.

Synopsis of Original Bill

Senate Bill 7 amends the Pesticide Control Act to define “business license”, establishes a license requirement for commercial pesticide applicators and raises fees.

Significant Issues

NMDA reports that the establishment of a business license would effectively aid the NMDA in addressing compliance efforts. Further, the NMDA reports, under the Food Quality Protection Act, the Environmental Protection Agency (EPA) is withdrawing the use of several classes of pesticides, thereby negatively impacting pesticide registration fee income at the state level. Fees in New Mexico would be established by rule and not to exceed the caps in the statute.

FISCAL IMPLICATIONS

NMDA estimates approximately \$380 thousand of fee income would be generated to carry out the provisions of the Pesticide Control Act.

ADMINISTRATIVE IMPLICATIONS

The NMDA analysis states the increased revenue would allow NMDA to:

- maintain an effective program, keep resources and add personnel necessary to efficiently and adequately provide the services and duties mandated under the Pesticide Control Act,
- enhance needs related to security and verification of applicator and registrant information, database availability on website, efficient processing and response to public information requests,
- enhance involvement in border area issues relating to pesticides,
- allow for development, use, and maintenance of technologies to increase efficiency in processing of licenses and pesticide registrations, public and industry outreach through distance learning opportunities, and
- develop website development, investigation of citizen complaints, and enhancing laboratory analysis.

DUPLICATION

HB 50 duplicates SB 7.

OTHER SUBSTANTIVE ISSUES

According to NMDA, pesticide product registration fees in New Mexico are the third lowest in the nation and substantially minor compared to other states. Current annual fees in New Mexico are \$35/product, compared to Arizona at \$100, Colorado at \$95, Texas at \$210, and a national average of \$184.

RLG/lg:dm